

# FACT SHEET

## HEALTH SYSTEMS IN EUROPE AND EURASIA 2008

**Overview:** Health systems in Eastern Europe and Eurasia<sup>1</sup> (E&E) continue to face major problems that existed following the collapse of communism; namely, over-built, over-staffed, over-specialized, and under-utilized service delivery systems; a bias towards hospital-based, curative care rather than more cost-effective primary health care; insufficient attention to evidence-based clinical practices and the quality of health services; inefficient health care financing systems; inadequate health information systems; poor commodity management procedures and weak health promotion systems to educate consumers on health care rights and responsibilities. In addition, economic crises and cuts in national health budgets strain health systems in many countries, as does the threat of HIV/AIDS and TB epidemics, and the substantial burden of non-communicable diseases and injuries.

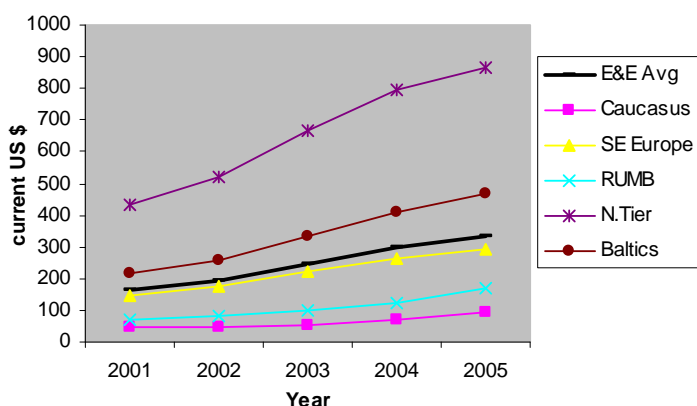
**USAID is addressing these problems by strengthening six critical health system functions:** financing, governance, service delivery, health workforce, information, and pharmaceutical management. USAID utilizes an approach which emphasizes integrated, community-based, primary health care.

### Health Systems Statistics

	E&E	EU-15
Per capita total expenditure on health*	\$335	\$3,469
Per capita government expenditure on health*	\$235	\$2,646
General government expenditure on health as % of total government expenditure	11%	15%
Out-of-pocket expenditure as % of private expenditure on health	91%	72%

\*at average exchange rate  
Source: WHOSIS 2007 (data from 2005)  
Graph: Source: World Bank 2007

**Figure 1: Per capita expenditure on health, 2001-2005**



### Important Health Systems Issues in Europe and Eurasia

- **Public expenditures on health remain too low.** In 2004, the EU-25 governments contributed 5.9% of GDP to health, whereas the E&E governments contributed only 4.1% of a much smaller GDP. Woefully inadequate are the Caucasus governments, all contributing less than 2% of GDP (Shakarivili, 2006).
- **Out-of-pocket health expenditures by individuals are too high.** In 18 of the 27 countries in the region, **individuals pay 25% or more of health care costs out-of-pocket.** In eight of the 27, they pay more than 50% (WHOSIS, 2007).
- Though physicians are incrementally adapting to using clinical practice guidelines based on evidence-based medicine, the change is happening at a slow pace. In some countries, it may require generational changes in medical leadership to quicken the transition.

<sup>1</sup> Countries include Eastern Europe and the Former Soviet Union. Though several countries are now EU members and the Central Asian Region is now managed through USAID's Asia Bureau, the 28 countries are tracked for comparisons and trends.

## USAID Support in Health Systems Strengthening

- Through the CoReform project, USAID is helping the government of Georgia transform the health system into one that is more efficient, accountable, and transparent. *Implementer: Abt Associates*
- In Albania, Pro-Shëndetit works with the Ministry of Health and local health authorities and organizations to improve primary health care. In the short term, success is being measured by improvements in the quality of service, financial management, training of doctors and nurses, and utilization of services. Long term goals include reductions in infant and maternal mortality, lower abortion rates, and reduced incidence of communicable diseases. *Implementer: University Research Corporation, LLC.*
- In Azerbaijan, USAID provides assistance to the Ministry of Health through the Primary Health Care Strengthening project. It focuses on increasing health care financing and improving resource allocation for primary health care, restructuring community-based services, improving the quality of primary health services, and promoting personal responsibility for one's own health care. *Implementer: Abt Associates*
- In Armenia, the Primary Health Care Reform Project supports the government's efforts to introduce primary health care reforms, such as strengthening primary health services for common medical conditions, instituting "open enrollment" so every Armenian has the right to choose their own health care provider, and establishing new systems of health care financing and monitoring. *Implementer: Emerging Markets Group.*

**Figure 2: This woman and her child, along with their neighbors, are now able to receive healthcare services in Voskepar, Armenia's renovated health post. Photo Credit: Project NOVA**



## USAID Health Systems Success Stories

- USAID introduced national health accounts throughout the region to help countries better understand the sources and uses of their health funds to pave the way for more rational expenditures.
- In Albania, USAID implemented a health information systems pilot project that has since been rolled out nationwide by the Ministry of Health. The program is based on patient encounter data and facilitates tracking performance statistics to identify focus areas for preventive care. Also, a USAID-supported primary health care model was recently rolled out on a national scale in partnership with the World Bank and the Albanian government. The model calls for a single source financing system that will improve efficiency and transparency and tackle corruption in the health sector.
- USAID/Romania supported a major reform of the hospital cost reimbursement system to improve the efficiency and transparency of hospital financing. Instead of the previous system where budgetary allocations to hospitals were made on the basis of number of hospital beds and number of services, the new system is based on service demand, defined in terms of specific diagnosis-related groups and accurate cost accounting for each.

For more information on USAID supported Health Systems programs, please visit:

[http://www.usaid.gov/locations/europe\\_eurasia/health/](http://www.usaid.gov/locations/europe_eurasia/health/)